



HF 122 – School District Principal Sharing Incentives (LSB1563HV)
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Fiscal Note Version – New

Description

House File 122 adds the position of principal to operational functions that receive supplementary weighting of five pupils per function. The supplementary weighting begins in FY 2017.

Background

The shared operational functions provision was originally enacted in 2007 and implemented in FY 2008 through FY 2014. This provision provided supplementary weighting for superintendent management, business management, human resources, transportation, or operation and maintenance, and phased-out funding over a five-year period. During the 2013 Legislative Session, **HF 472** was enacted and created a new provision for shared operational functions, including an expansion of the eligible functions.

During the 2014 Legislative Session, **HF 2271** (Shared Operation Functions Supplementary Weighting Updates Act) was enacted that modified the shared operational functions enacted in **HF 472**. This was due to increased interest by school districts in the new provision and the potential fiscal impact. **House File 2271** changed the weighting structure to provide funding on a per function basis and caps the level of total weighting at 21.0 pupils per district. The Act provides that school districts and Area Education Agencies (AEAs) may share:

- Superintendent management functions at a weighting factor of 8.0 pupils per function.
- Business management, human resources, transportation, and operation and maintenance functions at a weighting factor of 5.0 pupils per function.
- Curriculum director and guidance counselor functions at a weighting factor of 3.0 pupils per function.

Assumptions

Assumptions include:

- The FY 2017 supplementary weightings assume a 100.0% increase compared to FY 2016 for operational sharing weightings. Supplementary weightings for FY 2016 were approved by the School Budget Review Committee (SBRC) on January 21, 2015.
- The increase from FY 2016 to FY 2017 was proportionally distributed among all school districts based on Fall 2014 certified enrollments.
- All districts were held to the total weighting cap of 21.0 pupils per district.
- The State cost per pupil is \$6,366. The impact will increase if the General Assembly enacts a State percent of growth for FY 2016 and FY 2017. Districts with per pupil costs above the State cost per pupil will also have an increase in their property taxes.
- State aid and property tax amounts include the Property Tax Replacement Payment (PTRP) of \$46 in FY 2016 and FY 2017.
- The total number of districts sharing a principal is unknown but the maximum cost and various participation rates are included in the table.

- A total of 243 school districts will not be at the maximum weighting of 21.0 pupils in FY 2017 with an average per pupil weighting of 4.6 pupils.

Fiscal Impact

The estimated total fiscal impact of [HF 122](#) will depend on the number of districts participating and the State percent of growth the General Assembly establishes for FY 2016 and FY 2017. Current law estimates and the impact of [HF 122](#) at various participation rates are included in the table below.

Current Law Estimate					
	State percent of Growth of 0%				
	FY 2015	Est. FY 2016	Est. FY 2017		
Supplementary Weight	1,721.00	2,319.00	4,638.00		
Property Tax	1,363,732	1,739,250	3,478,500		
State Aid	9,665,136	13,023,504	26,047,008		
Total	\$ 11,028,868	\$ 14,762,754	\$ 29,525,508		
Impact of HF 122					
	Est. FY 2017	Est. FY 2017	Est. FY 2017	Est. FY 2017	Est. FY 2017
Percent of Districts Participating	5%	10%	15%	20%	Maximum
Increase in Weight	56.05	112.10	168.15	224.20	1121.00
Increase in Property Tax	42,038	84,075	126,113	168,150	840,750
Increase in State Aid	314,777	629,554	944,330	1,259,107	6,295,536
Total Impact	\$ 356,814	\$ 713,629	\$ 1,070,443	\$ 1,427,257	\$ 7,136,286

Sources

Iowa Department of Education
 Iowa Department of Management, School Aid file
 LSA analysis and calculations

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
